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		18 September 1957						
	SUPPLY DIVISION INSTRUCTION NO. 35-2 AMENDMENT NO. 1							
	STOCK ACCOUNTING							
	ESTABLISMENT OF ALLOCATION CODE O5 FOR PROPERTY USED IN ORGANIZATION TESTS, EVALUATION, AND DEMONSTRATION							
	Each copy of Supply Division Instruction No. 35-2 should be corrected to read as follows:							
	Paragraph $6b(2)$ - "Condition 4" should read "Condition 3", and "Condition 3" should read "Condition 4".							
	Paragraph 6e(4) - Last sentence should read: "Process the Turn-In in the normal manner (3-6, Property Returned from Projects)".							
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- 5. The Supply Operations Branch, Depot Stock Control Section, Special Accounts Unit (SON/DECS/SAU) will be responsible for catablishing a suspense system to control these accounts, and for taking following action to ensure that the property is either physically returned to stock or that proper charges are made against the requisitioning activity account.
 - 6. Templastion and Turn-in Procedure:
 - O. It is recognised that equipment used in testing is liable to drange from such netivity. Forever, the user will be reopposible for proper care and maintenance of the property while in his custody. Upon termination of the tests, the user will determine the condition of the equipment and prepare owficient copies of form 320 (Property Turn-in Slip), to present the Receiving Cafficer with four copies, bearing the applicable canotation regarding receipt and condition:
 - (1) For serviceable equipment (Condition 1): "This material received on Vencher No. Nor test, evaluation, or demonstration. Returned in serviceable condition."
 - (2) For decayed equipment that is economically repairable (Condition 3): "This material received on Voucker No. for test, evaluation, or demonstration. Returned in occasionally repairable condition."
 - (3) For equipment dereged bayond economical repair (Condition 4): "Tais enterial received on Voucher Ro. for test, evaluation, or desenstration. Danaged bayond economical repair during tests. Property authorization to be charged."
 - b. Receiving perconnel will:
 - (1) Physically receive material and make an inspection on to the condition. Where condition classification does not agree with that of the wear, offix an annotation on the form 320 stating elassification determined by receiving perconnel.



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- (2) In the event the opinion of the Receiving Officer is that the equipment is in Condition 3 rather than Condition 4 as stated by the user, he will initiate action to obtain cost estimates for repair, and so state on the face of the Form 320.
- (3) Ferrard three copies of Ferm 320 to DSCS for authentication and distribution, retaining one copy for suspense. These forms must be forwarded without any delay since a time element is involved.
- (4) Return Condition 1 material to stock.
- (5) Make arrangements for repair of Condition 3 materiel.
- (6) Hold Condition & material for disposal action.
- (7) Eald questionable material for instruction from DSCS.
- (8) Forward cost estimates on questionable material to DSCS vizen received.
- e. The Dapot Stock Control Section will:
 - (1) Upon receipt of Form 320 review all annotations.
 - (2) On Condition 1 property cite Transaction Codes to credit Stock Allocation Code 05 and debit original allocation.
 - (3) On Condition 3 property exedit Allocation 05 and debit 03.
 - (4) On Condition 4 property, reverse the original entries and effect issue to cost (6-1) eiting the user's Property Authorization. Process the Turn-In in the normal manner (5-3, Property Returned from Projects).
 - (5) When the Receiving Officer disagrees with the user on whather an item is in Condition 4, evidenced by his notation on Form 320, hold all decements until receipt of cost estimates from the Receiving Officer, then forward complete file to Chief, Supply Division for determination of subsequent action.

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- 7. This Instruction does not cover any expendable naterial required for test and evaluation purposed, nor does it cover non-expendable naterial that is to be destroyed through testing. Expendables will be issued on a regular requisition with a charge to Property Authorization. Non-expendables will be handled in the same manner but will require a Certificate of Expanditure.
- 8. The provisions of this Instruction are not to be confused with the application of Stock Allocation Code OS which pertains to material issued to vendors for test and evaluation, or Stock Allocation O3 which is material out for medification or regular.

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